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SUBJECT: NEW PARLIAMENT SPEAKER WANTS TO HELP BILATERAL
RELATIONS, CAUTIONS ON ELECTION LAW PROSPECTS

Classified By: Robert Ford for Reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: In his first official meeting with the Embassy as Speaker of the Parliament on April 23 Ayad al-Samarrai'e expressed support for an oil law and thought passage of a text this calendar year was feasible. He expressed support for ratification of the USAID Bilateral Assistance Treaty and Securities Treaty also, but opined that rapid passage would be very problematic this year. Part of the problem, he told us, was that the Government of Iraq had not submitted the agreements to the parliament, and the parliament could not act. On the issue of the water pipes stuck in Iraqi Customs in Basra, Samarrai'e was again supportive and suggested an amendment in tax laws exempting development grant project materials as a remedy. On political issues, Samarrai'e reiterated his agenda of increasing the institutional capacity of the parliament, and sought Embassy cooperation as well as coordination of existing foreign assistance to Parliament and its committees. When asked about national elections, however, the new speaker was less forward-leaning. He asserted that many political groups preferred closed lists, although a mixed open-closed list system might be possible. He also informed the Embassy that the Independent High Electoral Commission (IHEC) had yet to request an elections law, which would begin the legislative process for election. END SUMMARY

Support for Bilateral Economic Treaties

¶2. (C) EMIN discussed status of the Agreement on Economic and Technical Cooperation, which covered USAID assistance programs, the Trade and Investment Framework Agreement (TIFA), and the Overseas Private Investment Corporation's Investment Incentive Agreement (IIA). All were signed in 2005, and Samarrai'e was surprised that the ratification bills had not yet been passed. He noted that the government must submit the bills and/or treaties to the parliament; lacking this, the parliament can do nothing. He appeared supportive of the agreements, and promised to help shepherd them through the parliament. He warned that passage this year would be problematic. We left copies with him.

¶3. (C) When EMIN related how the lack of movement on the BAA was holding up the delivery of new pipes for a Sadr City water treatment plant because Iraqi Customs had assessed an import tax - something the USAID bilateral agreement addressed, Samarrai'e was sympathetic to the U.S. position that a gift should not - and by U.S. law could not - be taxed. He suggested, as a short-term fix, a simple law amending the appropriate Iraqi tax code to exempt development material or grants.

¶4. (C) When asked about the hydrocarbons law, Samarrai'e said firmly that it must be addressed, but that once again, the government must submit it to the parliament; until the government had submitted it, the parliament could do nothing. Samarrai'e also claimed that the first version of the law had almost been successful, but that the government withdrew

it. Samarrai'e acknowledged the government's difficult financial situation that makes more urgent passage of a law. The politics of the oil legislation was more difficult than it should be, Samarrai'e mused, and he questioned Oil Minister Husain Sharistani's effectiveness. Samarrai'e believed that approval of production-sharing agreements remains a controversial issue, but he opined that among members of the parliament enough members could be swayed to accept some kind of legislative language that would allow for Qaccept some kind of legislative language that would allow for PSAs in one manner or another.

Building the Institutional Capacity of Parliament

15. (C) Samarrai'e also expressed again his desire to build the institution of the parliament, and to increase the oversight role of the government. He also said that he wanted to establish an office to coordinate all the foreign assistance that the parliament received, noting that while the US provided about 80 percent of the assistance, there were many private contractors and diverse groups working with some committees and not others. His goal, he said, was to coordinate all the efforts to improve all the committees, not just some of them. He planned to appoint an individual to head up an office to accomplish this task. PMIN offered to set up a meeting between Samarrai'e's coordinator and the main U.S. Embassy groups providing assistance.

16. (C) When asked about national elections this year, Samarrai'e told us that IHEC had not yet sent a letter requesting the parliament to legislate the elections, an action necessary to initiate the legislative process.

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Samarrai'e said that he was unaware of any elections law. When asked whether the law would include open or closed lists, Samarrai'e thought that it would be difficult to get an open list. Provincial elections outcomes had illustrated to party leaders that open lists made it difficult to enforce party discipline. Despite PMIN's comment that open lists were more democratic, creating constituent accountability, Samarrai'e again stated that it might be difficult to achieve. He suggested as an alternative the German model, in which one votes for a party and a candidate.

Comment

17. (S) Samarrai'e was generally very supportive of the U.S. issues raised with him, but cautioned several times that the government would need to act before the parliament could. He also stated that the U.S. should pressure the government to act; movement would be unlikely without such pressure. While prima facie a true statement, Samarrai'e may have been using this point to underpin his position that the parliament needed U.S. assistance - both technical and political - to achieve a meaningful oversight role. He asked also for "information" from the U.S. on the GOI's activities, indicating some frustration with the fact that there was little meaningful information flow between the government and the parliament. The lack of information, he noted, made it difficult to have useful interpellation sessions with cabinet ministers. He appears to be quite earnest in his desire to professionalize the parliament and build its institutional capacity, and has already begun some re-organization efforts, although early indications are that he is retaining at least some of the former speaker's staff.

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